V. 7 # 24
June 16, 1969
Main

FOREIGN AGRICULTURE

JUN 2 6 1969

June 16, 1969

Assistant Secretary Palmby's view of the world feed situation in the 1970's and a report on India's 1968-69 wheat harvest

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VII • No. 24 • June 16, 1969

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Australian farmers harvest their grain sorghum. Assistant Secretary Palmby takes a hard look at the next 10 years of feedgrain utilization and trade in the article beginning this page.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, $10.00 domestic, $13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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The World Fe

Total U.S. feed utilization this year is running at a record level. And, on balance, the feed situation in the 1970's also should be favorable.

The brightest single factor in the situation ahead is the economic growth that is taking place all over the globe, even in the less developed countries. In my opinion, this growth will continue into the 1970's and beyond.

Stepped-up economic activity is encouraging increased consumption of livestock products both here and abroad. And speaking of foreign countries, most of them have far to go before they even approach America's consumption of red meats and poultry. So there's still lots of room for further diet upgrading—and U.S. feed exports.

Market development programs are building sales of U.S. feedgrains in countries with buying power.

Another favorable long-term factor is our vigorous promotion of foreign markets for U.S. feed. This program, carried on cooperatively by trade groups and the Department of Agriculture in some 70 countries, is helping us capitalize on the trade-expanding climate that economic growth is creating abroad.

A few years ago, for example, the U.S. Feed Grains Council joined with Japanese groups in a campaign to increase egg consumption in Japan—and, of course, U.S. feedgrain exports. A two-part drive was launched—increased emphasis through Japanese feed and poultry interests on improved laying stock and feeding methods, coupled with promotion to make consumers more aware of the importance of eggs in the diet. The program was a big success. Egg consumption rose from 144 eggs per capita in 1963 to 214 in 1968. And in the 5 years between 1963 and 1968, this one campaign put some $100 million in the pocket of U.S. grain producers. If the gain in egg consumption is only maintained, it will call for $30 million worth of feedgrain imports annually by Japan.

Another vital plus for us in the 1970's is our great ability to produce feed efficiently. We are universally recognized as the world's most reliable supplier of feedstuffs. That efficiency gives us an advantage in the fight for export markets—but only if we satisfy our foreign customers with dependable

The above article was taken from a paper presented by Mr. Palmby to the American Feed Manufacturers Association's Third National Feed Production School at Kansas City, Missouri, on May 27.

Assistant Secretary **Clarence D. Palmby**
sees a favorable situation shaping up in the next decade for both feed producers and feed users.

d Feed Situation in the 1970's

supplies at reasonable prices.

It would be hard to overemphasize that expression "reasonable prices." Our preeminent place as a supplier of feedstuffs has been built on a pricing policy that allowed our products to compete. We get into trouble only when we deviate from that policy. Three years ago, we set price supports for soybeans at a level that was too high. The effect was to increase competition for soybeans and products both here and abroad. What happened? Fishmeal imports have cut into soybean meal demand in this country. Fishmeal imports will replace 750,000 tons of soybean meal equivalent this year. Another competitor is a synthetic product—urea—which this year will also replace 750,000 tons of soybean meal equivalent. Abroad, we ran into increased competition from sunflowerseed, rapeseed, and fishmeal, and oil.

So this year the Department of Agriculture had to decide whether to continue a price support policy that was damaging the soybean industry or to resume a course that would permit growth. The decision was to reduce the support level. Decisions always are difficult when farm prices are concerned, but in this instance the longtime welfare of soybean farmers and the industry generally called for a change.

Efficiency in feed production has been a major factor in holding down farmers' livestock production costs. The comparisons between what farmers pay for feed and for other items of cost are startling. In 1968 farmers paid 24 percent more for building and fencing than in 1954; they paid 55 percent more for farm machinery; they paid 80 percent more for wages. But for feed they paid 9 percent less than in 1954. Consumers gain from this, of course. When livestock producers can produce at lower input cost, they produce more product at lower cost.

As I mentioned earlier, there are some problems that will create trouble for the feed industry in the 1970's. Many of these problems, as today, involve our export markets.

Protectionism, of course, is high on the list of the problems we face. Protectionism hits us several ways, as can be demonstrated by examining the situation in our largest single market for feedstuffs—the European Community.

The Community's common agricultural policy for grains sets producer prices at levels well above world prices—about two-thirds above, as a matter of fact. These prices are insulated from the influence of world prices by means of fixed threshold or import prices maintained by levies that vary with changes in world prices.

An important ingredient of the system is a built-in preference for trade among member countries of Community grains as compared with grains from outside countries. The preference established for producers is maintained by keeping threshold prices—the prices that must be paid for non-Community grain—above prices at which trade takes place among Community countries.

Surpluses produced under the stimulus of the high, protected Community prices are disposed of in the commercial world market for what they will bring. This is done by means of export subsidies which the Community refers to as "restitutions." By whatever name they hurt us in other countries. Let me cite two examples:

In the Japanese fiscal year that ended March 31, 1968, the United States sold Japan 108,000 short tons of barley; France sold Japan about 14,000 tons. In the fiscal year ending in 1969, however, U.S. barley sales dropped to only 9,000 tons, but France's sales—reflecting wide use of "restitutions"—soared to 500,000 tons.

Some weeks ago Taiwan purchased 1.7 million bushels of French feed wheat from the European Community at a price of $47.85 per metric ton, delivered to Taiwan. This fire-sale price represented an export subsidy greatly in excess of the actual selling price at French ports. The lowest possible price for U.S. soft wheat delivered to Taiwanese ports for nearby delivery is about $65.00 per metric ton.

The feed wheat purchased by Taiwan from the Community replaces U.S. No. 2 Yellow corn or Thai maize in feed formulation. The price for U.S. corn delivered to Taiwan for the same period is about $65.00 per metric ton.

The poor business judgment being exercised by the European Economic Community in offering its feed wheat at irresponsible prices is impossible to explain.

Wheat, barley, and a number of cereal substitutes are more and more replacing corn and grain sorghum.

Year after year the Community has increased the target price for corn and grain sorghum to force a greater substitution of domestically produced wheat and barley for imported corn and sorghum, as well as to encourage corn producers through denaturing subsidies to utilize more wheat as animal feed. As a result of these and other moves, the use of feed wheat in the Community has increased from an average of 4.5 million short tons in 1956-60 to 7.7 million last year.

The competitive position of grain sorghum in three major Community markets—West Germany, the Netherlands, and Belgium—has been badly crippled as the threshold price differential between corn, grain sorghum, and barley has been narrowed.

As a result Community-produced barley and wheat nearly completely replaced grain sorghum in livestock and poultry rations in the Community.

The Community's policy of protectionism also has encouraged imports into the Community of many other feed ingredients as substitutes for cereals. The import charges for such ingredients as cowpeas, manioc, corn gluten meal, corn gluten feed, and numerous other items encouraged substantial increases in their importation and use in feed formulation.

It could be that soybeans, the U.S. miracle crop, is also running into protectionist problems in Europe. Let me say a few words about it.

We have had a trade with the Community in oilseeds, vegetable oils, and meal of almost $500 million annually. But the policy makers in the Community are now debating a proposal that would greatly damage that trade—a proposal to put an internal tax of $60 a metric ton on vegetable and marine oils and of $30 a metric ton on protein meal. The tax on oils would be aimed at discouraging the consumption of margarine in lieu of butter. The proposed tax on meal would have the objective of bringing the price of meal more nearly in line with cereals and to discourage further increases in milk production.

Latest proposals to tax protein meal brought on strong opposition from U.S. exporters to the Community.

The United States has vigorously opposed this proposal, of course. We have made it known to officials of the Community and of the member countries that if the tax should be adopted, the United States will move swiftly to restore the balance of trade advantage between us.

What feed use patterns can we look for in the Community in the 1970's?

There are signs that the Community is taking a closer look at its agricultural programs. I heard many expressions of concern from business and industry leaders while in Europe on my recent trade trip. That's encouraging. But a person would have to be far more optimistic than I am to see any early, meaningful change in the protectionist pattern that the Community has set for its agriculture. I am afraid that until the Community, the United States, and other trading nations decide that national farm policies, as well as tariffs and nontariff barriers, should be negotiated, we can look for a continuation of the protectionist problems we have had to face up to in recent years.

Rising competition will be a problem in the 1970's.

Production gains continue in most of the surplus producing countries. As compared with the early 1960's, Argentina has upped corn production by 44 percent and France by 97 percent. France has stepped up barley output by 25 percent, and Canada by 89 percent. The Soviet Union has expanded production of sunflowerseed, which competes with our soybeans and cottonseed. Canada has boosted wheat production by 21 percent and Australia by 75 percent. And so it goes.

Crop production also is rising in most of the developing countries, but notably in India, Pakistan, and the Philippines. In these countries, there has been a marked expansion in use of fertilizer and machinery. There has been improvement in irrigation, storage, and transportation. There has been establishment of extension services and production credit. New strains of wheat and rice are making an extremely significant contribution.

The dwarf wheat developed in Mexico already has spread rather far in Asia. In India and Pakistan, Mexican wheat now covers about 15 to 20 percent of the total wheat acreage. Wheat production in West and South Asia in 1969 may be about 20 percent higher because of the new wheat varieties. Such increases really are a tremendous achievement, especially so for countries that are always walking a nutritional tightwire.

However, there are several factors that will probably impede expansion of the new wheat. A substantial part of available irrigated acreage has already been planted to dwarf varieties; farmers lacking reliable irrigation cannot afford the risk of borrowing money for fertilizer and chemicals required to produce the new grain. As production increases, farm prices may fall and the priority given to agriculture by the governments of these countries may lessen.

When we talk about increasing competition, let's not forget feed wheat, which is becoming a growing factor in international grain trade.

Several things are stimulating feed wheat use. I have already discussed the protectionist policies of Western Europe, which encourage wheat production over and above usual food and feed requirements. There is the increasing production of Mexican hybrid wheat in the developing countries, which probably will mean some reduction in their demand for coarse grains as well as some decline in the food-aid drawdown on wheat supplies of the United States, Canada, and Australia. Also, there is the wheat program in the United States, which allows market prices of wheat to come closer to coarse grain prices than was the case some years ago.

Future levels of feed wheat in the United States could surpass the current 200-million-bushel mark.

How much wheat we'll feed in this country in the 1970's is rather hard to estimate at this time. The 200 million bushels that we'll feed this year reflect some rather unusual situations —heavy wheat supplies all over the world, smaller world volume of trade, the withdrawal of Japan from our market for several weeks, a dock strike. It is conceivable that these influences brought prices of wheat and coarse grains closer together than we would normally expect, even with the type of wheat program we have. Assuming that we continue with wheat and feedgrain programs of the type we now have, we certainly will feed substantially more wheat than the 50 million to 60 million bushels fed in the late 1950's. It is conceivable that in the future the United States may feed substantially more than the 200 million bushels that will be fed this year.

There are two technological developments taking place in the United States. Their full potential cannot be fully visual-

ized at this time, but both must be recognized as possibilities of major magnitude as they may affect future feed formulation. These are: (1) The development of hybrid wheat, and (2) the near perfection of high-selective amino acid corn.

It is entirely conceivable that during the decade of the 1970's, the traditional Midwest cropping pattern may be changed to accommodate high-yielding hybrid wheat varieties and high-selective amino acid corn.

If high-yielding hybrid wheat varieties are further perfected, it is entirely possible that this grain may in increasing volume find its way into feed channels, possibly at the expense of the old standby—corn.

If commercial high-selective amino acid corn is further perfected, it is possible that an increasing volume of this new ingredient may find its way into feed formulation and to a degree at the expense of soybean meal and/or other high protein ingredients.

It will be interesting to note the change in cropping patterns, not only in the United States but in other countries as still more technical breakthroughs become a reality.

India's 1968-69 Wheat Crop a New Record

By D. V. KHOSLA
Office of the U.S. Agricultural Attaché
New Delhi

Unprecedented quantities of wheat are rolling into India's market centers by tractor trolleys and trucks, bullock and horse carts, and atop donkeys, mules, and camels. At the end of May, India completed harvesting a record wheat crop in record time, thanks to mechanized threshing. This is a crop that not only will add materially to the nation's food reserves but should bring Indian farmers the highest return they have ever known.

The U.S. Agricultural Attaché's office estimates that total production of wheat this year will be 18 million tons, compared to 16.6 million in 1967-68 and the previous high of 12.3 million in 1964-65. This gain in production is a direct result of increased acreage in the new high-yielding varieties, increased irrigation facilities, larger application of fertilizers, control of pest and disease problems, and other improved agricultural practices in the chief wheat producing regions. High procurement prices and the farmers' increasing zeal to make the best use of all the facilities available were additional important factors responsible for this gain.

The newly developed wheat varieties in India—such as Kalyan, a product of the Punjab—which have Mexican parentage, are becoming more popular because of their close resemblance to the indigenous white wheats. They are rapidly replacing the native varieties, which have been grown for hundreds of years, as well as the original Mexican varieties. A substantial portion of this year's total production is in the new and improved Mexican varieties. If the present trend continues, the production of indigenous white wheats for commercial purposes will soon cease. Only the more affluent farmers will grow these for their own consumption, plus small quantities for the more sophisticated consumer.

Marketing and price supports

This year's price support program is expected to benefit more Indian growers than in any previous year. The Food Corporation of India has been given complete authority for procuring, handling, and storage of foodgrains. The government has set a procurement target of 3.6 million tons of wheat from the current year's harvest—1.6 million tons higher than the previous year's target and 1.3 million tons above last year's actual procurement.

Left, bagged wheat in the Ludhiana marketplace in the Punjab; below left, bags loaded into railroad cars for shipment; below right, wheat is put through a thresher.

In line with the government's policy, all varieties of wheat offered for sale other than indigenous red varieties are being purchased by the official procurement agencies at the government established procurement price of Rs. 76 per quintal (US$100 per metric ton). This is the same as last year's procurement price for common white and Mexican varieties but Rs. 5 per quintal lower for superior farm variety. Indigenous white wheats are finding a ready cash market from local consumers and traders at prices between Rs. 80 and 92 per quintal. The procurement prices for indigenous red varieties are established by the State Governments in consultation with the Government of India.

In addition, procurement operations have been intensified this year. There has been better planning by government agencies and the number of procurement centers has been increased. More storage facilities have been built in and around the market centers and at the regional warehouses. Arrangements for speedy dispatch of wheat from markets were completed before harvesttime. Railway and road transport were coordinated for more efficiency. Sufficient labor was employed at the grain markets, and wheat arriving in the markets is being handled promptly.

With a view to providing new outlets for the Punjab and Haryana surpluses and to bringing about a decline in the free market price of wheat in deficit States, the GOI on April 15 enlarged the northern food zone. It now comprises Punjab, Haryana, Jammu and Kashmir, Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, West Bengal (excluding Calcutta), Himachal Pradesh, Delhi, and Chandigarh. Two other multi-State wheat zones have been created. These are: a southern zone comprising Tamil Nadu (Madras), Andhra Pradesh, Mysore, Kerala, and Pondicherry; and an eastern wheat zone comprising Assam, Nagaland, Manipur, and Tripura.

A look ahead

In 1967-68 an outstanding harvest was gathered under highly favorable weather conditions. In 1968-69 a still larger crop was harvested despite less favorable conditions—further proof that last year's production was not an accident and that the time when Indian wheat production will catch up with India's consumption needs is fast approaching.

However, the country will still need to import substantial quantities of wheat with a view to achieving its buffer stock target. Even after achieving self-sufficiency in foodgrains, India will require imports of hard wheats for its fast expanding baking industry.

Greece's Grain, 1968 and 1969

Corn and wheat both fared well in Greece last year, and 1969 harvests are expected to be records. An abundance of wheat will likely mean increased exports while the corn increase will help build up the country's livestock and poultry industries.

Greece's 1968 wheat crop started out with an acreage increase of 10 percent from the year before, but poor weather just before harvest held the crop to a lower-than-expected 1.5 million metric tons. This year, a crop of about 2 million metric tons is expected, with about 200,000 tons moving into exports. The Greeks imported 52,700 tons of soft wheat from Spain in early 1969 and are expected to take another 50,000 from Romania sometime soon. About 11,000 tons of U.S. wheat were imported under the CCC export credit sales program last December.

PRODUCTION AND TRADE OF GREEK GRAINS

Grain	Production		Imports		Exports	
	1968	1969	1968	1969	1968	1969
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Wheat	1,515	2,000	11	103	190	200
Rye	9	9	—	—	—	—
Barley	487	600	—	18	81	—
Corn	375	400	226	300	—	—
Oats	105	100	—	—	—	—
Rice	68	65	4	4	9	8

This year's corn crop will probably be about 400,000 metric tons, compared to 375,057 in 1968. Greece has already imported 115,927 metric tons of corn (all from the United States through CCC and barter) out of expected 1969 imports of 300,000.

Acreage and production levels of other grains in Greece in 1968 were less dramatic. Barley acreage was cut back from 870,000 acres to about 756,000 because of poor weather, but increased yields will likely result in a larger crop in 1969 than in 1968.

—Based on dispatch from JOHN D. MOTZ
U.S. Agricultural Attaché, Athens

German Feed Laws Amended

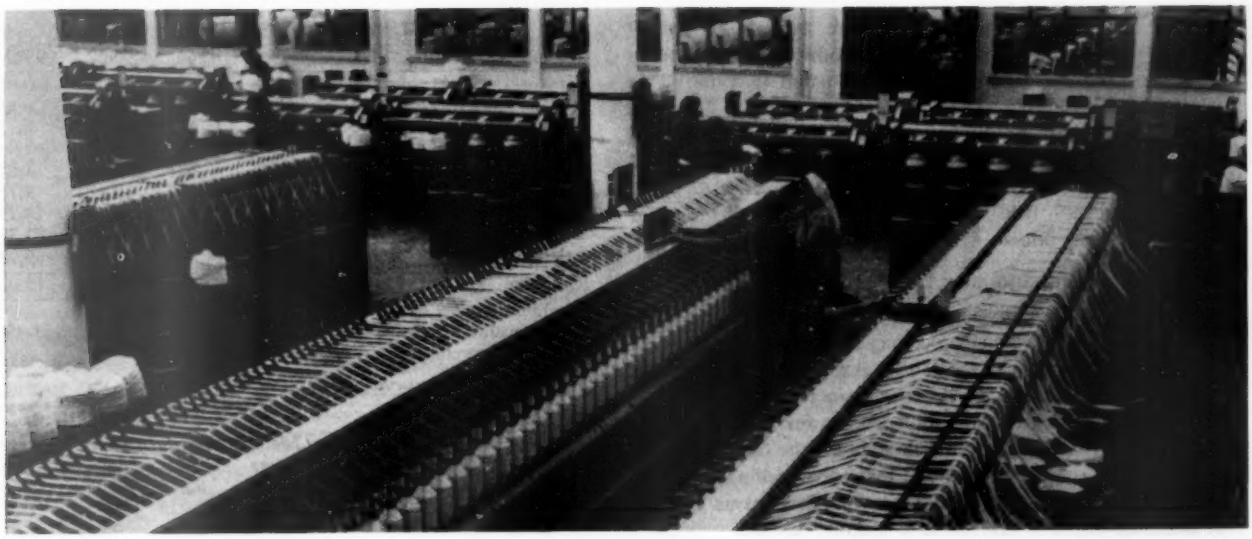
According to a report from the U.S. Agricultural Attaché in Bonn, the West German Ministry of Agriculture will soon submit to the Bundesrat a proposed regulation amending the feed laws. The regulation will include a provision that soybean meal traded commercially in West Germany must contain not more than 6.5 percent raw ash and not more than 7 percent raw fiber. While both requirements are based on 88 percent dry matter, there will probably be no specification for maximum moisture content. The regulation will apply to both imported and German-produced meal.

During the past several years, West Germany has imported from the United States large quantities of soybean meal containing added hulls, which raise the fiber content and lower the protein content. This trade has provided a useful outlet for the hulls which U.S. processors have left on hand after producing 49-50 percent protein meal. German importers have found the discounted price attractive. However, German processors are not permitted by their feed laws to add extra hulls to meal, and they have objected to a competitive product being imported which they are not allowed to produce. There have also been complaints that some buyers have received low-protein meal without realizing it.

The effect of the proposed regulation would obviously be to eliminate the import trade of soybean meal containing added hulls; but it apparently contains no provisions which would restrict the importation of standard 44 percent or higher protein products.

According to the Ministry, the proposed regulation could become effective as early as July 1, 1969, unless delayed by Bundesrat consideration.

—By H. REITER WEBB, JR.
Fats and Oils Division
Foreign Agricultural Service



A Yugoslav cotton mill.

Yugoslav Cotton Market Brightening

By FRANK W. EHMAN
U.S. Agricultural Attaché, Belgrade

During the past 20 years, Yugoslavia has built a cotton textile industry which today ranks second among all industrial activity in the country. And while more development is anticipated, it has already become an import market for 80,000 to 90,000 metric tons of lint cotton annually.

Prior to World War II, Yugoslavia's yarn and fabric production was largely a cottage industry—and it still is to some extent in the more remote areas of the country. But following the war, as hundreds of thousands of rural people migrated to the cities, cotton mills mushroomed all over the country. Today, 215,000 people, or about 16 percent of the country's total industrial labor force, work in these mills and contribute over 12 percent to the country's annual gross national product.

Last year, Yugoslavia's mills produced 102,000 metric tons of cotton yarn and 400,000,000 square meters of fabric (including cotton and manmade blends). These amounts represent a sizable increase over 1948 when only 45,000 tons of yarn and 161,000,000 square meters of fabrics were produced and the expansion will continue.

Depends on cotton imports

Since Yugoslavia's cotton production totals less than 5,000 tons of lint, the mills must depend on foreign sources for virtually all of their cotton needs. During the current marketing year, their total consumption was around 92,000 tons, of which 80,000 was imported.

These imports come from a long list of countries, but two —the United States and the USSR—supply about half the market. During calendar 1968, the USSR shipped Yugoslavia 23,772 tons of cotton—a new high for such sales and 33 percent of the total import. The United States, on the other hand, saw its cotton shipments fall to 14,772 tons—half the 1967 level—and its share of the market drop to 21 percent. This decline came as a result of the transition from Public Law 480 to commercial sales of cotton.

Other major sources during the year were the UAR, 9,778 tons; Greece, 6,796 tons; Pakistan, 5,040 tons; and Turkey, 1,880 tons.

Manmade fibers are also being used increasingly in Yugo-

Imported cotton being unloaded at Yugoslav port.

slavia. While no official statistics are available, industry sources estimate that manmade fiber production amounted to 12.3 percent of total cotton yarn production in 1968. This compared with 9.2 percent in 1966.

Most of the mill products exported by Yugoslavia are unbleached cotton fabrics, shipments of which totaled 14,492 metric tons in 1967. Other exports that year included 4,230 tons of bleached, dyed, or printed fabric and 3,683 tons of cotton yarn and thread.

Problems in the industry

While Yugoslav cotton consumption and imports are moving upward now, it was not too long ago that the industry as a whole was in trouble. One of the targets set in Yugoslavia's economic reform plan of 1965 was to increase exports of its mill products. Progress was impeded, however, when textile prices were frozen in an effort to stabilize the domestic market, and mills subsequently found themselves selling at a loss. Then, too, they ran into trouble on foreign markets because of nonimaginative or insufficiently updated designs.

These setbacks cut exchange earnings, thereby making it difficult for the industry to pay for imported lint. The result was large stocks of finished goods on hand and a depressed textile industry.

Correctional measures were, however, undertaken to get the industry moving again. The government canceled its ban on free prices for textiles, enabling the industry to market its products freely and competitively. It also imposed controls on imported textiles and began redirecting textile exports to hard currency markets.

YUGOSLAV PRODUCTION OF YARN AND FABRICS

Item	1963	1964	1965	1966	1967	1968
YARN PRODUCTION	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Combed cotton yarn	6,391	7,657	7,733	8,019	7,894	(1)
Carded cotton yarn	65,458	71,351	75,671	74,225	71,608	89,325
Carded cotton yarn—low count vigogne	3,004	3,023	2,572	1,812	1,316	(1)
Combed cotton yarn with 67 percent or more of manmades	(1)	(1)	(1)	2,363	2,430	(1)
Carded cotton yarn with 67 percent or more of manmades	(1)	(1)	(1)	1,586	2,347	4,684
Cellulosic fibers, cotton type	(1)	(1)	(1)	4,543	7,511	7,859
Total	74,853	82,031	85,976	92,548	93,106	101,868
FABRIC PRODUCTION	*1,000 square meters*	*1,000 square meters*	*1,000 square meters*	*1,000 square meters*	*1,000 square meters*	*1,000 square meters*
Cotton fabrics	331,973	360,047	379,319	380,422	342,920	(1)
Cotton fabrics with 67 percent or more of manmades	(1)	(1)	(1)	17,872	18,654	(1)
Cotton-type 100 percent cellulose fiber fabrics	15,811	17,749	15,901	17,635	15,982	(1)
Total	347,784	377,796	395,220	415,979	377,556	400,602

[1] Not available.

"Industrija," Statistical Bulletin, 1965, 1966, and 1967. "Index" No. 2, February 1969.

YUGOSLAV IMPORTS OF RAW COTTON

Country of origin	1964	1965	1966	1967	1968[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
Greece	11,733	10,496	13,512	12,876	6,796
Pakistan	7,954	—	804	6,038	5,040
Turkey	884	4,702	3,887	1,760	1,880
UAR	10,783	13,832	14,167	10,874	9,778
United States	21,298	27,481	34,945	29,701	14,772
USSR	—	153	5,256	21,208	23,772
Others	29,051	33,824	14,869	8,237	9,989
Total	81,703	90,488	87,440	90,694	72,027

[1] Preliminary data.

Yugoslav Foreign Trade Statistics—1964, 1965, 1966, and 1967. Federal Secretariat for Foreign Trade, SFRY.

YUGOSLAV EXPORTS OF COTTON YARN AND FABRICS

Item	1964	1965	1966	1967
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Cotton fabrics:				
Unbleached	10,226	8,640	15,580	14,492
Bleached	1,463	1,920	1,179	1,231
Dyed	1,063	2,072	2,075	1,911
Printed	1,402	1,496	1,224	1,088
Cotton yarn:				
Raw	4,425	3,848	1,789	2,966
Bleached and dyed	140	360	496	316
Cotton thread for:				
Industrial use	(1)	(1)	(1)	(1)
Retail sales	322	794	773	401

[1] Not available.

Yugoslav Foreign Trade Statistics 1964-67.

The difficulties of expanding sales in the highly competitive world textile market are fully recognized. But already industry prospects are improving. Local textile stocks have been liquidated—mainly into the domestic market—and exports of yarn and fabric have reached alltime highs. It is further expected that the country will attempt to switch clearing account sales with some 27 bilateral trading countries to a cash-payment basis and to intensify sales efforts in Western countries.

Expansion now anticipated

Success with these measures will, of course, be reflected in greater mill activity, greater cotton usage, and increased lint cotton imports.

Steps in preparation for this new phase in Yugoslavia's textile industry are also underway. Greater mill concentration and increased specialization in mill operations are now anticipated. Gradual mill renovation to increase total capacity and a trend toward three working shifts daily instead of two appear likely. These changes, plus a generally improving world textile market, are optimistic signs for the future.

The outlook therefore is for a gradual growth in cotton imports during the years ahead. While the U.S. share of that market fell during the transition from P.L. 480 commercial sales and while there will continue to be competition from nearby countries with whom Yugoslavia has bilateral trade agreements, an active market for U.S. supplies can probably be maintained. U.S. raw cotton sales to Yugoslavia, currently in the $7 million to $10 million area, have been made possible primarily through use of CCC credit and barter arrangements. These sales facilities will continue to play an important role in U.S. trade with Yugoslavia.

To decrease dependence on coffee

Colombia Is Developing Its Minor Farm Crops

By W. GARTH THORBURN
U.S. Agricultural Attaché
Bogotá

In Colombia today new emphasis is being put on agriculture, particularly as it relates to foreign exchange earnings. Although coffee exports—historically the country's major foreign exchange earner—are to be maintained at as high a level as possible, the main push is on increased production of cotton, sugar, rice, corn, and barley.

By increasing production of these crops the government is seeking to increase exports of cotton, sugar, and rice, and to decrease or eliminate imports of barley and corn. The planned increases of the first three items could reduce coffee's share of the country's total export earnings from its present 57 percent by 10 to 40 percent within the next 5 years.

Summarized below are the near-term prospects for production and exports of the five products being promoted by the Colombian Government.

Cotton

In marketing year 1965-66 the cotton area harvested—principally in northern Colombia—was nearly 393,000 acres; production was 66,000 metric tons of lint cotton. In 1968-69, production on some 590,000 acres was 145,000 metric tons—a 46-percent increase in yield per acre.

Contributing to the better yield were use of better seed, more irrigated acreage, and improved cultural practices—stimulated by greater availability of credit and good internal support price. Despite transportation and storage problems and the need for more gins, cotton production probably will keep increasing in the next 5 years.

Export increases in the past 2 years have been spectacular—as can be seen in the table below. The 80,000 metric tons expected to be exported August 1, 1968, through July 31, 1969, is almost 400 percent above the average for the 5 years 1963-64 through 1967-68. The value of these exports is expected to be about $45 million. (Compare with value of exports in recent years in table below.)

Colombian cotton is marketed through a producer federation. After the local mills are supplied, a team representing the federation goes overseas to look for markets. The producer is paid the price his cotton brings abroad less a pro rata share of the travel expenses of the sales team.

Cotton exports probably will level off at about $65 million during the next 5 years.

Sugar

Both production and exports of sugar have increased significantly since 1962. Exports, which have been greater than anticipated in recent years, amounted to 214,059 metric tons in the May 1, 1967-April 30, 1968 marketing year which was 70 percent higher than in the previous year; total value of the 1967-68 exports was $12.9 million.

Production for the year amounted to 636,000 metric tons and internal consumption amounted to 406,000 metric tons. Of the sugar exported, the United States—the largest customer—took 86,000 metric tons. Of this, 54,000 tons was exported under quota and 25,000 tons under quota-exempt special uses. Sugar sold for the world market price went for an average 2.1 cents per pound while that exported under the U.S. quota brought 7.35 cents per pound.

Colombia, one of the signers of the 1969 International Sugar Agreement, has a quota of 160,000 metric tons under this agreement. Price per pound under the agreement ranges from 3.24 cents to 4.78 cents. With the new minimum price earnings provided by this agreement, if Colombia exports only what it did last year its income from sugar exports could well increase at least 40 percent. It is expected, however, that Colombia's sugar exports will increase a moderate amount this year.

Rice

Colombia has been a net importer of rice in recent years; this year it will be a net exporter. Colombia has contracted to export 15,000 tons of rice to Peru, and an additional 30,000 tons will be exported during the year.

In the 1964-65 crop year Colombia produced 600,000 metric tons of rice, most of it grown on dry land. In the 1968-69 year, production was 780,000 tons—the greater share of it from irrigated acreage. The 1969-70 crop is forecast at 820,000 metric tons—based on an expected average yield of 2,458 pounds per acre, a yield about 38 percent above 1967-68 and 40 percent above the average for the 1963-64-to-1967-68 period.

In order to enter the world rice market, the Colombian Government has committed the country to a program of rice expansion. First rice exports are being subsidized at $32 per ton. If productivity continues to increase there should be a surplus of some 85,000 tons by 1971-72. With this increased production would come a reduction in production costs which would make possible a considerable reduction in the export subsidy.

Corn and barley

If no more than self-sufficiency in corn and barley is obtained in the near future, that in itself will be a step forward in the government's program to save foreign exchange. However, it is possible that there might be small export quantities of both grains by 1971-72.

COLOMBIA: MAJOR AGRICULTURAL EXPORTS

Export	1965	1966	1967	1968 [1]
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*
Coffee	343.7	328.3	322.4	348.7
Bananas	18.6	19.9	19.1	15.6
Sugar	7.6	8.3	15.9	22.2
Cotton	8.0	2.2	19.6	33.7
Tobacco	7.2	5.6	4.4	7.0
Cattle and meat	8.8	7.3	6.7	6.0
Other	8.4	9.0	3.3	16.0
Total agricultural exports	402.3	380.6	391.4	449.2
Total exports	539.1	506.5	509.9	605.1

[1] Estimated.

Riviana, Wellens Win President's "E" Awards

Two firms widely different in location received Presidential "E" Awards this spring for the same kind of achievement —"outstanding and aggressive creative marketing resulting in a substantial increase in volume of exports on a sustained basis." These first presentations since last fall for agricultural export expansion went to Riviana Foods, Inc., of Houston, Tex., and Wellens & Co., Inc., of Minneapolis, Minn. Both awards were made during World Trade Week, to highlight government encouragement of export endeavors by private enterprise.

The "E" Award program was first carried on during World War II; the "E" stood for excellence in defense production. Since 1961, when the awards were reactivated with a new purpose, it has stood for another type of excellence—outstanding contributions to export expansion; and "E" Award ceremonies have dramatized the importance of these contributions in improving the U.S. balance of payments. By now, winners have numbered in the hundreds and have included groups in nearly all States, the District of Columbia, and Puerto Rico—with emphasis on small businesses.

Riviana sells rice

Riviana Foods, Inc., won its "E" principally for expanded rice exports. Its president, William H. Lane, accepted the award from President Nixon on May 19 at a White House ceremony, before Secretary of Agriculture Clifford M. Hardin, Secretary of Commerce Maurice H. Stans, Members of Congress, and officials of nine other firms being honored.

In the past 4 years, Riviana has lifted the export share of its total sales from 30 percent to over 40 percent and has secured new export outlets for U.S. rice in areas previously supplied by rice of competitive origin. Its tools have been heavy consumer advertising and promotion, plus responsiveness to the varied needs of buyers in 97 countries.

Advertising and promotion helped Riviana's consumer packages compete in the United Kingdom, France, Greece, the Bahamas, Jamaica; gained the lead in Australia for its long grain rice despite price problems and severe competition from local rice; built up a $220,000 sales volume in Sweden for its parboiled packaged rice, against active efforts by Dutch and German processors; and established that product in west Africa to win out over local produce and problems of transportation and distribution.

Riviana meets buyers' needs in many ways—developing packages in Spanish, French, Swedish, Danish, Finnish, Arabic, Chinese; setting up a worldwide network of distributors and agents; establishing production and marketing partnerships in South Africa and Australia; sending its executives on regular sales trips; arranging medium-term financing in areas like Chile, Peru, and Ghana.

Wellens sells feedstuffs

Wellens & Co., Inc., a merchandiser-jobber for feed ingredients, received its "E" on May 21 in Minneapolis, at the Upper Mid-West Conference on U.S.-International Trade Policies in the 1970's. Company president LeRoy F. Wellens accepted the award from Secretary Stans, before 400 dinner guests.

Wellens began selling overseas only in 1964; but from 1966 to 1968 it more than doubled the volumes of its export sales. Its primary exports are soybean meal, meat meal, and feather meal, though it markets a long line of other feed ingredients also. Its best export tools are individual attention and servicing for all accounts, whatever size.

Some of the services Wellens provides: Regular price quotations by telephone, cable, or letter; sample supplies airmailed at company expense for market testing; a weekly Market Letter sent to more than 30 countries; flexible credit terms like those of competing European firms; adaptation to local requirements, problems, and practices; personal visits to overseas feed manufacturers, especially in developing countries; technical information—including nutritional and field studies—on the use of primary feed ingredients, with followup reports and coordination with local conditions.

Wellens' successful experience in international trade has enabled it to help other companies of its community do business overseas; to give practical export advice at trade association meetings; and even to convince some of its own U.S. customers that they should be exporting their finished goods.

Below left: Commerce Secretary Stans points out the "E" Award just given to Wellens officers LeRoy Wellens and Louis Brewster. Below right, the President, with Agriculture Secretary Hardin at his left, displays "E" for some recipients (including Riviana president William H. Lane, far left).

Lionsize U.S. Food Sales in Belgium

Thirty-five Belgian supermarkets, all members of the chain Delhaize Freres et Cie (also known as Le Lion), featured a variety of U.S. foods during America Week, April 17-23. Sales were brisk, and Belgian shoppers took home both familiar American products and some that were new to them. At the same time, selected U.S. foods were on sale in 500 small neighborhood Delhaize stores.

An advertising folder distributed in most regions in Belgium reached many potential shoppers, and an advertisement in the leading French-language newspaper alerted more before the opening date.

A chief attraction was the special prices on some U.S. goods; and some of these products did especially well in sales. For example, U.S.-brand long-grain rice sales were 27,000 28-ounce packages; dried prunes, 29,000 1-pound packages; canned peaches, 39,500 15.5-ounce cans; Florida orange juice, 21,000 1-quart bottles; fresh oranges, 99,000 pounds; and canned asparagus, 20,000 19-ounce cans.

Some of the new products featured were fresh kumquats and mangos, hot ketchup, pepper corn relish, barbecue baked beans, canned boysenberries, pumpkin, apricot and pear and peach nectar, small whole yams, applesauce, sweet gherkins, lima beans, leaf spinach, stewed tomatoes, cream-style corn, and corn and peppers.

As a result of America Week, about 43 percent more groceries, 32 percent more fruits and vegetables, and nearly 21 percent more meat and poultry were sold than during the corresponding week a year earlier by the same number of Delhaize supermarkets. A total of 352,636 customers visited supermarkets during the in-store promotion.

America Week was jointly sponsored by the Foreign Agricultural Service, Delhaize, the California Cling Peach Advisory Board, and the Rice Council for Market Development.

Above left, astronauts, space photograph, and American snacks in supermarket display; above right, U.S. agricultural attaché and Delhaize general manager shake hands at opening of America Week; below, selection of fresh U.S. produce.

Below, shoppers examine fresh oranges, canned asparagus, and frozen turkey.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	June 3	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.93	0	2.03
USSR SKS-14	1.87	+2	1.88
Australia Prime Hard	1.86	0	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.86	0	1.89
15 percent	1.88	−3	1.95
U.S. No. 2 Hard Winter			
14 percent	1.93	0	1.82
Argentine	1.82	(1)	1.89
U.S. No. 2 Soft Red Winter	1.71	+2	1.57
Feedgrains:			
U.S. No. 3 Yellow corn	1.49	+3	1.33
Argentine Plate corn	1.61	+2	1.52
U.S. No. 2 sorghum	1.25	0	1.31
Argentine-Granifero	1.28	+5	1.46

[1] Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Uganda To Increase Tobacco

The new tobacco demand created by sanctions against Rhodesian trade has encouraged Uganda to grow more tobacco for export. Uganda plans to increase tobacco production to 18 million pounds by 1970 from about 9 million in 1967 and about 10 million in 1968. Most of this increase is destined for export.

Limited quantities of flue-cured leaf have been exported to the United Kingdom in recent years, and Uganda hopes to increase this trade to about 1 million pounds this year. The British American Tobacco Company (BAT) is encouraging growers to build additional curing facilities and expand the overall planting area.

Canada's Flue-Cured Exports Up

Exports of Canadian flue-cured tobacco rose to 46.4 million pounds in 1968. This quantity compares with 41.3 million pounds exported in 1967 and 35.6 million in 1966. The average price for all shipments was 107.2 U.S. cents per pound.

The United Kingdom, by far the largest purchaser of the Canadian leaf, accounted for 40.3 million pounds, representing 87 percent of the total 1968 exports compared with 85 percent in 1967. Shipments to the United States, at 1.6 million pounds, were nearly double those of a year earlier. Other important markets in 1968 included Trinidad-Tobago, Finland, and Denmark.

Exports of unmanufactured tobacco other than flue-cured in 1968 totaled 945,000 pounds.

CANADA'S FLUE-CURED TOBACCO EXPORTS

Destination	1967	1968	Average 1968 export price
	1,000 pounds	*1,000 pounds*	*U.S. cents per pound*
United Kingdom	34,971	40,262	114.1
United States	816	1,556	43.6
Trinidad-Tobago	1,030	970	79.8
Finland	382	634	45.5
Denmark	1,172	521	44.5
Belgium-Luxembourg	122	467	56.6
Netherlands	603	414	51.0
Ireland	286	242	117.9
Hong Kong	101	223	104.9
Malaysia [1]	182	316	95.6
Others	1,596	818	—
Total	41,261	46,423	107.2

[1] Includes Singapore.

Singapore's Tobacco Imports Soar

Singapore's imports of unmanufactured tobacco skyrocketed to a record level of 47.9 million pounds in 1968. This quantity compares with 8.5 million pounds imported in 1967 and an annual average of 8.3 million pounds imported during the past 10 years (1958-67).

Most of the imported tobacco comes from Mainland China and the Philippines. Of the total, 29.1 million pounds of tobacco were imported from Mainland China at the average price of 15.1 U.S. cents per pound and 10.8 million pounds from the Philippines at the average price of 3.9 cents per pound. Imports from these two countries represented over 80 percent of the total imports in 1968.

Since the annual consumption of tobacco is less than 10 million pounds, substantial quantities of this imported tobacco are expected to be reexported in 1969.

SINGAPORE: IMPORTS OF UNMANUFACTURED TOBACCO

Country of origin	1966	1967	1968	Average 1968 c.i.f. price
	1,000 lb.	*1,000 lb.*	*1,000 lb.*	*U.S. cents per pound*
China	138	260	29,066	15.1
Philippines	(1)	82	10,799	3.9
United States	2,628	2,774	3,668	97.6
India	2,465	2,472	2,631	36.0
Others	2,780	2,933	1,689	—
Total	8,011	8,521	47,853	21.2

[1] Less than 500 pounds.

Tobacco Shares Sold in Kenya

During April, 600,000 shares of British American Tobacco, Kenya, Ltd. were offered to the general public in Kenya at US$2.10 per share for a total value of US$1.26 million. Over 5,000 persons made offers to buy, indicating a demand for more than 3½ times the volume of shares offered. The sale was offered to enable the general public in Kenya, employees

of the company, and distributors of its products to participate in the progress and profits of the company.

British American Tobacco holds a virtual monopoly in Kenya on the manufacture and distribution of cigarettes and tobacco. Most of the products sold by the company are manufactured in Kenya from locally grown tobacco. However, imports of selected brands of cigarettes, cigars, and pipe tobacco are also sold.

U.S. April Tobacco Exports Up

Exports of leaf tobacco during April 1969 totaled 39.6 million pounds, up by 2.6 million pounds from the 37.0 million exported in April a year ago. Shipments of burley, dark-fired, and Maryland tobaccos were largely responsible for the increase during this month.

While the April exports were up, the level of exports during the first 4 months of 1969 (January-April) is down by 39 percent in comparison with the same period last year because of low January and February exports caused by the U.S. dock strike.

Total fiscal year exports for July 1968 through April 1969 were 449.1 million pounds, compared with 475.5 million for the same 10-month period last year. An expected rise in May and June shipments is likely to narrow the gap in lagging fiscal 1968-69 exports.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	April		January-April		Change from
	1968	1969	1968	1969	1968
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	25,800	25,082	111,973	66,122	−40.9
Burley	4,026	5,501	12,988	11,232	−13.5
Dark-fired Ky.-Tenn.	914	2,833	4,657	4,870	+ 4.6
Va. fire-cured [1]	210	265	1,570	1,121	−28.6
Maryland	1,072	1,434	3,433	1,770	−48.4
Green River	38	250	251	301	+19.9
One Sucker	100	52	107	71	−33.6
Black Fat	306	83	974	182	−81.3
Cigar wrapper	1,035	641	1,756	883	−49.7
Cigar binder	121	7	328	56	−82.9
Cigar filler	22	61	127	276	+117.3
Other	3,351	3,377	16,724	7,480	−55.3
Total	36,995	39,586	154,888	94,364	−39.1
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	32.5	34.6	133.2	84.6	−36.5

[1] Includes sun-cured. Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	April		January-April		Change from
	1968	1969	1968	1969	1968
Cigars and cheroots					*Percent*
1,000 pieces	4,950	5,459	28,344	21,955	−22.5
Cigarettes					
Million pieces	2,296	1,707	7,383	6,073	−17.7
Chewing and snuff					
1,000 pounds	23	3	92	10	−89.1
Smoking tobacco in pkgs.					
1,000 pounds	122	117	387	329	−15.0
Smoking tobacco in bulk					
1,000 pounds	806	410	4,744	2,654	−44.1
Total declared value					
Million dollars	12.8	9.5	43.6	35.0	−19.7

Bureau of the Census.

Exports of tobacco products were down both in April 1969 and during the January-April 1969 period. However, the cumulative 10-month total of $123.8 million for the current fiscal year reflects an increase of $10.8 million from the $113.0 million worth of tobacco products exported in the same period last year.

Record Cotton Crop in Turkey

The 1968-69 (August-July) cotton crop in Turkey is estimated at about 2,000,000 bales (480 lb. net), compared with the previous record of 1,800,000 in 1967-68 and the 1960-64 average of 1,091,000. This record crop was harvested from 1,760,000 acres, slightly less than the 1,773,000 acres in 1967-68. Despite this slightly smaller acreage and some rain damage to the quality of the cotton early in the harvest season a much larger crop than expected was produced as a result of unusually favorable weather throughout the remainder of the harvest. The greatest increase in production was in the Aegean region where nearly 40 percent of Turkey's total cotton crop was harvested from about 30 percent of the land planted to cotton. The Cukurova region accounted for a little less than 50 percent of total production on nearly 60 percent of the total acreage.

Yield in 1968-69 is 545 pounds per acre, up 58 pounds from last season's record of 487 pounds. Favorable weather was one of the major factors in higher yields, but another factor is that the Government of Turkey has for several years encouraged the use of improved irrigation practices, better varieties of cotton, fertilizers, and insecticides.

Turkey's cotton exports during the first 8 months (August-March) of the 1968-69 crop year totaled 713,000 bales, compared with 883,000 shipped during the same period a year earlier. Shipments to major destinations during this period (in thousands of bales), with figures for the same time period in 1967-68 in parentheses, were: Lebanon 106 (55), Italy 89 (86), West Germany 86 (149), Switzerland 72, (113), the United Kingdom 68 (140), Belgium 67 (59), Greece 30 (1), Portugal 27 (15), the Netherlands 21 (16), France 21 (51), Japan 20 (112), Hungary 19 (14), Poland 16 (6), and Spain 15 (13). In view of the large crop, exports for the entire season should be above the 1,040,000 bales shipped in 1967-68.

Cotton consumption by domestic mills in 1968-69 is estimated at 735,000 bales, compared with the 710,000-bale offtake the previous season and the 1960-64 average of 522,000 bales.

C.i.f. prices in Liverpool for Izmir Standard I (Strict Middling 1-1/16 inches) new crop for October-November delivery were quoted at an average of 28.65 cents per pound in May 1969, compared with 28.25 cents in April and 31.25 cents a year earlier.

Eastern Europe Hops Estimates

The 1968 hops crop in Eastern Europe (excluding Yugoslavia) ranged between the bumper Czechoslovak output from a slightly reduced acreage and the greatly reduced Hungarian harvest from a much smaller acreage.

Owing to the crisis with Russia, Czechoslovakia reportedly suffered an undefined crop loss, but this is not apparent from the statistics. Czechoslovaka production totaled 18.6 million pounds and imports were 1.1 million (total supply 19.7 mil-

lion); exports are planned at 11.8 million pounds and domestic requirements are 7.9 million (total utilization 19.7 million).

EASTERN EUROPE'S HOPS AREA AND PRODUCTION

Country	1967		1968	
	Acres	*1,000 lb.*	*Acres*	*1,000 lb.*
Bulgaria	2,891	1,378	2,965	1,109
Czechoslovakia	21,905	16,105	21,619	18,553
Hungary	1,730	1,232	1,433	827
Poland	5,135	5,291	5,476	4,431
Germany, East	5,318	6,563	5,362	5,842
USSR	29,652	15,432	29,652	15,432

NOTE: The USSR estimates are very rough and have not changed in 4 years.

German Peach, Pineapple Imports Up

Total imports into West Germany of canned peaches and canned pineapple increased sharply in 1968. Canned peach imports jumped 25 percent to nearly 4 million cases (basis 24/2½'s) and canned pineapple purchases registered a gain of 21 percent to 3.5 million cases.

A number of years ago the United States was West Germany's leading supplier of both products. During the past several years, however, the U.S. share of that market has dropped precipitately because of mounting competition from Australia, South Africa, and European neighbors of West Germany in canned peaches and a host of countries including the Philippines, Taiwan, and Malaysia in canned pineapple. The United States supplied only 13 percent of West Germany's imports of canned peaches and canned pineapple in 1968 compared with 83 percent and 32 percent, respectively, in 1963.

GERMAN IMPORTS OF CANNED PEACHES, PINEAPPLE

Year	Canned peaches		Canned pineapple	
	Total imports	U.S. share of total	Total imports	U.S. share of total
	1,000 cases [1]	*Percent*	*1,000 cases* [1]	*Percent*
1963	3,264	83	2,671	32
1964	3,233	67	3,060	34
1965	4,022	64	3,546	25
1966	3,233	52	2,824	19
1967	3,181	32	2,882	16
1968	3,974	13	3,496	13

[1] 24/2½'s (45 lb.)

Turkish Dried Fruit Prospects

Current reports indicate that weather has been favorable for vineyard recovery from the frost damage suffered in the Aegean area of Turkey on the night of April 10. Industry sources display more optimism for 1969 crop prospects, and current sultana raisin forecasts range from 83,000 to 88,000 short tons.

Weather conditions continue favorable for the 1969 fig crop and, consequently, fruit is developing well. Present forecasts indicate a 1969 dried fig pack of approximately 50,000 tons, slightly more than last season.

U.S. Exports of Soybeans, Oils, Meals

The sharply accelerated movement of U.S. soybeans to foreign ports, which began with the termination of the U.S. dock strike in mid-February, continued through April. At 34.3 million bushels, exports in April were almost 60 percent

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS

Item and country of destination	Unit	April		Sept.-April	
		1968 [1]	1969 [1]	67-68 [1]	68-69 [1]
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	.7	1.0	5.8	9.0
France	do.	0	0	.4	.2
Germany, West	do.	3.3	5.5	24.6	27.0
Italy	do.	0	1.8	11.3	14.9
Netherlands	do.	1.8	3.4	29.8	31.2
Total EC	do.	5.8	11.7	71.9	82.3
Japan	do.	7.3	8.0	50.8	48.1
Spain	do.	1.5	4.9	19.8	23.8
Canada	do.	1.6	3.4	13.4	22.6
China, Taiwan	do.	1.8	1.8	6.9	14.2
Denmark	do.	2.1	1.1	12.3	10.8
Israel	do.	1.1	1.2	7.2	4.6
Others	do.	.4	2.2	11.2	12.2
Total	do.	21.6	34.3	193.5	218.6
Oil equivalent	Mil. lb.	237.3	376.3	2,125.1	2,399.8
Meal equivalent	1,000 tons	507.8	805.3	4,548.2	5,136.1
EDIBLE OILS		April		Oct.-April	
Soybean: [3]		1968 [1]	1969 [1]	67-68 [1]	68-69 [1]
India	Mil. lb.	2.0	51.6	113.5	177.8
Pakistan	do.	17.1	0	124.6	89.6
Tunisia	do.	2.6	6.1	63.0	24.9
Morocco	do.	0	0	26.9	24.6
Iran	do.	4.4	14.0	7.1	24.3
Canada	do.	1.7	2.1	12.7	15.4
Vietnam, South	do.	0	4.1	21.8	14.4
Chile	do.	.1	(2)	1.4	14.4
Israel	do.	.6	1.2	21.8	13.3
Haiti	do.	2.3	2.0	9.8	11.9
Dominican Republic	do.	3.3	3.0	19.4	8.1
Others	do.	22.6	12.2	112.8	55.5
Total	do.	56.7	96.3	534.8	474.2
Cottonseed: [3]					
Venezuela	do.	6.3	3.8	23.5	37.0
Germany, West	do.	0	0	.4	15.3
Netherlands	do.	0	0	.5	10.0
Canada	do.	.8	2.4	5.0	9.5
Others	do.	1.2	13.3	4.1	19.5
Total	do.	8.3	19.5	33.5	91.3
Total oils	do.	65.0	115.8	568.3	565.5
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	14.6	7.5	174.4	122.3
France	do.	32.3	72.3	287.8	287.1
Germany, West	do.	31.9	83.4	324.2	371.0
Italy	do.	8.0	44.7	86.3	145.8
Netherlands	do.	31.5	72.5	313.9	314.9
Total EC	do.	118.3	280.4	1,186.6	1,241.1
Canada	do.	18.5	21.9	133.5	187.5
Yugoslavia	do.	0	49.5	47.0	89.2
Poland	do.	12.6	12.9	47.7	52.9
Switzerland	do.	.1	11.3	3.1	35.3
Spain	do.	(4)	(4)	.4	31.6
Japan	do.	0	1.2	.1	19.7
United Kingdom	do.	11.5	.2	69.8	19.3
Ireland	do.	4.6	0	23.2	18.6
Others	do.	38.0	35.5	234.2	124.5
Total	do.	203.6	412.9	1,745.6	1,819.7
Cottonseed	do.	.5	.1	2.0	2.0
Linseed	do.	.6	.9	69.4	32.6
Total cakes and meals [5]	do.	212.2	418.1	1,851.7	1,893.3

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 lb. [4] Less than 50 tons. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

above those in April 1968. Over one-third of the total went to the European Community and almost one-fourth to Japan. Exports during September-April totaled 218.6 million bushels, 13 percent more than in the comparable period last year. While shipments destined for the EC, Canada, Spain, and Taiwan rose sharply, those sent to Japan, Denmark, and Israel declined.

Soybean oil also has been moving out at a stepped-up pace—96.3 million pounds in April—almost 2½ times the March exports and 70 percent more than exports in April 1968. The bulk of the oil continued to go out under Public Law 480 programs, with over one-half of the total sent to India and 15 percent to Iran. However, cumulative October-April exports, at 474.2 million pounds, were 11 percent less than last year's cumulative total.

April cottonseed oil exports reached 19.5 million pounds compared with only 8.3 million last April, and the cumulative total in the current marketing year rose to 91.3 million against only 33.5 million last year. Larger U.S. supplies have accounted for the increase.

A phenomenal 412,900 tons of soybean meal was shipped to foreign destinations in April in contrast to 203,600 tons in April 1968. About 70 percent of the total went to the EC, with sharply increased tonnages to all individual countries of the Community except Belgium-Luxembourg. Almost 50,000 tons went to Yugoslavia, the first sale to that country since January. As a result of the heavy movement of meal in April, the cumulative October-April total—1.8 million tons—edged above last year's comparable total for the first time since the dock strike, by 4 percent.

Argentine Sunflower, Peanut Crops

Oil and meal production and exports from Argentina's 1969 sunflower and peanut crops will be below the 1968 levels, reflecting this year's smaller crops.

The second official estimate for sunflowerseed production is 880,000 metric tons, compared with the first estimate of 1,060,000 tons, last year's crop of 940,000 tons, and the record 1,120,000 tons harvested in 1967. Planted area increased from 2.95 million acres last year to 3.37 million this year. However, heavy rains and strong winds in April and May reduced yields.

The first official estimate for Argentine peanut production is 235,000 tons, compared with the 1968 crop of 282,800 tons and the record 439,300 tons harvested in 1965. Area planted to peanuts has declined each year from the peak level of 960,000 acres in 1965 to 644,000 acres in 1969. The 11-percent decline in plantings for this year's crop, combined with unfavorable weather prior to the harvest, resulted in smaller production in 1969.

Reduced availabilities for crushing of both sunflowerseed and peanuts have strengthened oil prices. Moreover, oil and meal exports will be below those of last year's, which were as follows (in metric tons):

	Oil	*Meal*
Sunflower	67,772	352,073
Peanut	55,978	94,360

Senegalese Peanut Production

Estimates of Senegal's 1968 peanut crop continue to decline as commercialization nears completion. Purchases for crushing and export are expected to total no more than 620,000-630,000 metric tons compared with an earlier estimate of 750,000 tons and commercial production of 860,000 tons from the 1967 crop.

As a result of this poor crop, Senegal is unable to meet commitments agreed upon last November with local and overseas peanut crushers. Current estimates are that local processors will receive approximately 520,000 tons of a promised 615,000 tons and that 100,000 tons will be exported as peanuts. Peanut oil producers are looking elsewhere for their supply.

As the current season draws to an end, speculation has begun about 1969 peanut prospects. Some officials believe that a good rainy season this year will mean the end of a peanut crisis. Other factors, however, must be considered. For over 5 years peasants have been encouraged by various organizations to borrow money to buy machinery, fertilizer, and insecticides to increase production; but production during this period has actually declined below the 984,000 tons commercialized from the 1965 crop. Consequently, farmers may no longer buy these items. Besides, they have less money to buy them. And finally, many peasants have left the countryside in search of food in the cities. They must be encouraged to return to their villages and prepare for this year's peanut crop, but so far the government has not given them much incentive to do so.

Philippine Coconut Products

Registered exports of copra from the Philippines during April 1969 totaled 38,900 long tons, a slight increase from the 38,550 in April 1968. Of the total, 14,650 tons moved to the United States, 10,650 tons less than in April 1968.

Coconut oil exports for April 1969 were 5,889 tons, down from the 21,673 of a year ago. Shipments to the United States totaled 5,600 tons, a decrease of 14,073 from April 1968. January-April 1969 coconut oil exports were 55,080 long tons, with 41,431 moving to the United States.

Cumulative exports of copra and coconut oil on an oil-equivalent basis for January-April were 166,048 tons, slightly below the 168,310 exported last year.

Desiccated coconut exports during April 1969 totaled 4,940 short tons, with 3,686 tons shipped to the United States. In the same period a year ago, exports were 5,174 tons, of which 4,616 came to the United States.

Bumper Jute Crop Expected

Preliminary estimates by trade circles indicate a marked expansion in the area planted to jute in both Pakistan and India and large supplies when the crop is marketed in late 1969. In contrast with higher fiber prices during 1968-69, the result of adverse weather and a short crop, jute prices are expected to be lower in the coming crop year.

Correction: The third table in the article "World Imports of Soybeans Up," June 9, 1969, p. 14, should read as follows:

PRICE COMPARISONS FOR MAJOR MEALS

Price	1965	1966	1967	1968
Soybean meal as a percentage of—	*Percent*	*Percent*	*Percent*	*Percent*
Peanut meal	96.8	111.2	106.6	113.8
Sunflower meal	137.4	149.2	144.0	152.9
Linseed meal	112.3	102.1	110.1	111.1
Fishmeal	63.4	70.9	77.0	89.9

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West German Hops Crop Surpasses Forecast

The West German hops crop has exceeded forecasts for the second year in a row. Official weighings, as of January 31, totaled 48.3 million pounds and the 1968 crop is now believed to have totaled 48.6 million pounds or more. This compares with the official August 28 estimate of 47.5 million pounds and the FAS November figure of 45.2 million pounds. Of the total, over 38 million pounds were produced in the Hallertau. The 1967 crop is now officially estimated at 49.3 million pounds.

The larger than expected crop is attributed to the increased acreage planted in the high-yielding Northern Brewer and Brewers Gold varieties and to an increasing area of unreported acreage in hops known as "black" areas. The two high-yielding varieties are believed to occupy about 2,000 acres or nearly 10 percent of the Hallertau acreage, and their yield is said to exceed that of the traditional Hallertau varieties by 50-100 percent. As for the "black" acreage, it has been estimated at anywhere from 700 to 1,100 acres, mostly in the Hallertau.

The official figure for West German area planted to hops is 29,192 acres. The official area rose 2 percent from the 1967 level of 28,656 acres in spite of very low prices received for the 1967 crop. While no official estimate is available yet, the 1969 growing area is expected to show a 500- to 700-acre increase from the 1968 level.

Grower prices for 1968 hops were reported as follows:

Area	*Cents per pound*
Hallertau contracted	84
Hallertau free	54
Hallertau, average for both	78
Tettnang	91
Other areas	57

With nearly 80 percent of the Hallertau crop sold on forward contracts, the grower was able to receive a much higher average price than he would have on the free market.

Exports of hops and the hop equivalent of extract are expected to exceed 18 million pounds during the 1968-69 marketing year. This would be less than the 21.4 million pounds exported in 1967-68 (3.9 million as extracts and 17.5 million as hops). During September 1968-February 1969, exports of hops excluding extracts totaled 12,853,000 pounds, compared with 14,212,000 in the same 6 months of 1967-68. The United States was the leading buyer in the first half of the current season, taking 4.2 million pounds (5.3 million in 1967-68). Japan, Austria, Belgium-Luxembourg, and France were other important markets.

Imports are forecast at 8.3 million pounds for 1968-69, compared with 9.6 million pounds imported in 1967-68. Last year Yugoslavia became the leading supplier for the first time, with 2.67 million pounds; the United States was second with 2.66 million. Czechoslovakia and Belgium were also important suppliers. During the first 6 months of 1968-69, the United States ranked fourth behind Yugoslavia, Czechoslovakia, and Belgium as a supplier of hops to the German market.

Imports from the United States totaled only 1.1 million in September 1968-February 1969, compared with 2.5 million a year earlier. The U.S. dock strike earlier this year contributed to the poor showing, and reduced German demand is also cited as a factor. Increasing German production of types suited for hops extract (for which U.S. hops are largely used), rising U.S. prices, and lower German prices have all contributed to the lower imports of U.S. hops.

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